

NRS/NAC 645E COMPLIANCE QUESTIONNAIRE FOR MORTGAGE BANKERS

	Yes	No	N/A	Comments Yes answers indicate no violation
<u>NRS 645E.100</u> 1. Does the licensee engage only in transactions under 645E? 2. Is the licensee dually licensed under 645B? 3. Does the licensee only broker commercial loans? NAC 645E.270 and 280 1. Does the mortgage banker conduct wholesale activity separate from the licensee? 2. Is the licensee making loans using their own money from: a. A person's cash, corporate capital or warehouse credit lines? b. Affiliates cash, corporate capital or warehouse credit lines? 3. Does the licensee only accept money from sources that it is authorized to accept money initially even if the licensee sells the loan after consummation?				
<u>NRS 645E.200</u> 1. Does licensee conduct business from other locations in state? 2. Does licensee conduct business from other out of state locations? Are those locations licensed? NAC 645E.220 1. Does each branch location have a QE exclusive to this location with exceptions for dually licensed under 645B? 2. Does the branch only conduct business under the licensed name? 3. Does the branch have its license conspicuously displayed?				
<u>NRS 645E.220</u> 1. Is the license posted in a conspicuous place in the office? 2. Has the mortgage banker assigned or transferred the license to another person and received written approval from the Commissioner? NAC 645E.231 1. Does the mortgage banker maintain a permanent sign either: a. Readable from the nearest public sidewalk, street or highway b. Posted on the building directory or entrance to the office building?				
<u>NRS 645E.230</u> 1. Does licensee separate other activity not licensed under this chapter or NRS 645B? If yes, NAC 645E.015 1. Does the licensee have proper affiliated business arrangements established? NAC 645E.225 1. Does the licensee share office space with another business? 2. Does each business have designated space identifiable by a sign? 3. Is the business licensed pursuant to NRS 645 (a real estate company)? 4. Is the space separate and distinct? 5. Do they operate as separate legal entities? 6. Do they maintain separate accounts, books and records?				

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7. Are they subsidiaries of the same parent corporation or otherwise affiliated?				
<u>NAC 645E.285</u> 1. Is the licensee advertising jointly with another business? 2. Does all advertising meet compliance requirements?				
<u>NAC 645E.290</u> 1. Does the mortgage broker or loan officer of the broker act in the capacity of a real estate agent? 2. If yes, do they provide the borrower with the disclosures at the time of the mortgage application?				
<u>NRS 645E.315</u> 1. Has there been a material change in the ownership, management or principal employee at the principal office or branch office, and was the commissioner notified within 30 calendar days after the change? 2. Has there been a change of control? 3. Has the mortgage banker changed the address of their place of business? 4. If so, was a written notice of the change of address provided to the Division at least 10 days prior to the change of address? 5. Was the Commissioner's written approval of the change obtained?				
<u>NRS 645E.350 and NAC 645E.355</u> 1. Does the mortgage banker maintain complete and suitable records at the licensed location? 2. Has the mortgage banker submitted monthly activity reports by the 15 th of each month? 3. Has the licensee provided books and records for locations out of state? 4. Does the mortgage banker retain records for 4 years? 5. Does the mortgage banker retain hard copies for 2 years if records are maintained electronically? 6. Does the mortgage banker retain denied or withdrawn files for 1 year?				
<u>NRS 645E.360</u> 1. Unless an extension was requested, has the mortgage banker submitted a financial statement within 60 days after the end of their fiscal year? 2. Was the financial statement prepared by a NV licensed CPA? 3. If the mortgage banker maintains an impound trust account, are the financial statements audited? Has the CPA submitted a copy of the audit to the Division?				
<u>NRS 645E.390</u> 1. If the mortgage banker transferred 5% or more of their outstanding voting stock, was the Division notified? 2. If the transfer of voting stock resulted in a change of control, has the person who acquired the stock applied to the Division for approval of the transfer?				
<u>NRS 645E.420</u> 1. Except for advance payments to cover reasonable estimated costs paid to third parties, has the amount of any advance fee, deposit or other money placed in escrow pending completion of the loan?				

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<p>2. Was the amount held in escrow released upon completion of the loan or commitment for the loan? If the loan or commitment for the loan failed, was the money returned to the person who made the payment?</p> <p>3. If the advance payment is to cover reasonable estimated costs paid to third persons, did the borrower sign a written statement which specifies the estimated costs by item and the aggregate cost, and which states that the money advanced for costs will not be refunded? If the itemized service is not performed, was the advance payment refunded?</p>				
<p><u>NRS 645E.430</u></p> <p>1. Does the mortgage banker collect money for the payment of taxes and insurance premiums?</p> <p>2. If so, have they set up an Impound Trust Account with an insured depository financial institution?</p> <p>3. Is the money kept separate, distinct, and apart from the money belonging to the mortgage banker?</p> <p>4. Is the impound trust account reviewed annually?</p> <p>5. Has the mortgage banker notified the debtor with 30 days of the annual review of the amount by which contributions exceed the amount reasonably necessary to exceed the annual obligations due from the account?</p> <p>6. Has the mortgage banker notified the debtor that he/she may specify the disposition of the excess money within 20 days after the receipt of the notice?</p> <p>7. If there is a deficiency in the account, has the mortgage banker required additional amounts to be paid into the impound trust account to cover the deficiency?</p> <p>8. Has the mortgage banker made payments from the account in such a manner as to cause an insurance policy to be cancelled or property taxes to become delinquent?</p>				
<p><u>NRS 645E.440</u></p> <p>1. Does the mortgage banker separate its own money from any other money in the Impound Trust Account besides the money paid by a debtor for taxes and insurance?</p>				
<p><u>NRS 645E.470</u></p> <p>1. Does the mortgage banker charge a late fee? Is the late fee assessed only if payment is made after 5 pm on a day the payment is due?</p> <p>2. If the office of the mortgage banker is not open that day, is the late fee assessed after 5 pm the next day?</p>				
<p><u>NRS 645E.630</u></p> <p>1. Does the mortgage banker's assets or capital appear to be unimpaired? Does the mortgage banker appear to be conducting business in a safe and prudent manner that will not result in danger to the public?</p>				
<p><u>NRS645E.670</u></p> <p>1. Has the licensee:</p>				Yes answers = Violations
<p>2. Do examination findings indicate that the licensee:</p>				
<p>a) Is insolvent?</p>				
<p>b) Grossly negligent or incompetent in performing any act for</p>				

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which he is required to be licensed?				
c) Is conducting his business not in accordance with the law or in violation of any provisions of this chapter?				
d) Is in such financial condition that he cannot continue in business with safety to his clients?				
e) Made a material misrepresentation in connection with any transaction governed by this chapter?				
f) Suppressed or withheld from a client any material facts, data or other information relating to any transaction governed by this chapter?				
g) Knowingly made or caused to be made to the Commissioner any false representation of material fact?				
h) Failed to account to persons interested for all money received for a trust account?				
i) Refused to permit an examination or has refused or failed, within a reasonable time to furnish any information or make any report required by the Commissioner?				
j) Has been convicted of, or entered a plea of nolo contendere to, a felony relating to the practice of mortgage bankers or any crime involving fraud, misrepresentation, or moral turpitude?				
k) Refused or failed to pay, within a reasonable time, any fees, assessments, costs or expenses required pursuant to this chapter?				
l) Has failed to pay a tax as required by NRS 363A?				
m) Failed to satisfy a claim made by a client which has been reduced to a judgment?				
n) Failed to account for or remit any money of a client within a reasonable time after a request?				
o) Commingle any money or other property of a client with his own or has converted the money or property of others to his own use?				
p) Engaged in any other conduct constituting a deceitful, fraudulent or dishonest business practice?				
<u>NRS 645E.900</u> Is the company carrying on the business of a mortgage banker without first being licensed, or obtaining an exemption?				
<u>NRS 645E.910</u> 1. Does the licensee have a current status with Commercials Filings Division of the Secretary of State under chapter 80?				
<u>NAC 645E.400</u> 1. Are all appraisals prepared by an appraiser licensed in Nevada if the property is located in Nevada?				
<u>NAC 645E.500</u> 1. Is the mortgage broker in compliance with the following federal rules: a. Truth in Lending Act b. Equal Credit Opportunity Act c. Real Estate Settlement Procedures Act d. Other				